

AMENDED IN SENATE MARCH 17, 2005

SENATE BILL

No. 139

Introduced by ~~Senator~~ Senators Margett and Alquist
(Coauthors: Senators Battin, Denham, Hollingsworth, and Morrow)
(Coauthors: Assembly Members Benoit, Daucher, DeVore, Haynes,
Shirley Horton, Huff, Maze, and Mountjoy)

February 2, 2005

An act to add Section 17053.51 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 139, as amended, Margett. Personal income taxes: long-term care.

The Personal Income Tax Law authorizes various credits against the taxes imposed by that law.

This bill would allow a credit for 30%, not to exceed \$300 per taxpayer, of the amount paid or incurred by the taxpayer for long-term care or long-term care insurance provided for the taxpayer or a parent of the taxpayer.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 17053.51 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 17053.51. (a) For taxable years beginning on or after January
- 4 1, 2005, there shall be allowed as a credit against the "net tax," as
- 5 defined in Section 17039, an amount equal to 30 percent of the
- 6 amount paid or incurred by the taxpayer during the taxable year

1 for the cost of long-term care or long-term care insurance
2 provided for the taxpayer or any parent of the taxpayer. The
3 credit shall not exceed three hundred dollars (\$300) per taxpayer,
4 or six hundred dollars (\$600) for taxpayers filing jointly.

5 (b) For purposes of this section:

6 (1) “Long-term care” shall be defined by reference to Section
7 7702B (c) of the Internal Revenue Code, or its successor.

8 (2) “Long-term care insurance” shall be defined by reference
9 to Section 7702B(b) of the Internal Revenue Code, or its
10 successor.

11 ~~(2)–~~

12 (3) “Parent” means the natural, biological, or adoptive mother
13 or father of the taxpayer.

14 (c) The provider of the long-term care services shall provide
15 the taxpayer with written verification of the services provided,
16 specifying the name of the taxpayer, payments received for the
17 long-term care services, the name of the individual receiving the
18 long-term care services, and the time period during which the
19 services are provided. The taxpayer shall, upon request, provide
20 this information to the board.

21 (d) In the case where the credit allowed by this section
22 exceeds the “net tax,” the excess may be carried over to reduce
23 the “net tax” in the following year, and succeeding years, if
24 necessary, until the credit is exhausted.

25 SEC. 2. This act provides for a tax levy within the meaning of
26 Article IV of the Constitution and shall go into immediate effect.